

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number David L. Neale (SBN 141225) Juliet Y. Oh (SBN 211414) Levene, Neale, Bender, Rankin & Brill L.L.P. 10250 Constellation Blvd., Suite 1700 Los Angeles, California 90067 Telephone: (310) 229-1234 / Facsimile: (310) 229-1244 Email: DLN@LNBRB.com, JYO@LNBRB.com	FOR COURT USE ONLY
<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA</b>	
In re: SPE HOLDING CORP., et al.  Debtor(s).	CASE NO.: 1:05-bk-50077MT

**NOTICE OF SALE OF ESTATE PROPERTY**

<b>Sale Date:</b> 11/30/09	<b>Time:</b> 10:00 a.m.
<b>Location:</b> 21041 Burbank Blvd., Courtroom 302, Woodland Hills, California 91367	

Type of Sale: ☐ Public ☒ Private Last date to file objections:  
11/16/09

Description of Property to be Sold: Please see notice of the sale attached hereto.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Terms and Conditions of Sale: Please see notice of the sale attached hereto.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed Sale Price: Please see notice of the sale attached hereto.

Overbid Procedure (If Any): N/A  
\_\_\_\_\_

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e-mail address):

Juliet Y. Oh, Esq.  
Levene, Neale, Bender, Rankin & Brill L.L.P.  
10250 Constellation Blvd. #1700, Los Angeles, CA 90067  
Tel: (310) 229-1234, Fax: (310) 229-1244  
Email: JYO@LNBRB.com

Date: 10/28/09

DAVID L. NEALE (State Bar No. 141225)  
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Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SAN FERNANDO VALLEY DIVISION**

In re ) Case No. 1:05-BK-50077-MT  
) Chapter 11

SPE HOLDING CORP., *et al.* )

Debtors. )

Jointly Administered with Case Nos.:

1:05-bk-50055-MT 1:05-bk-50068-MT

1:05-bk-50056-MT 1:05-bk-50069-MT

1:05-bk-50057-MT 1:05-bk-50070-MT

1:05-bk-50058-MT 1:05-bk-50071-MT

1:05-bk-50059-MT 1:05-bk-50072-MT

1:05-bk-50060-MT 1:05-bk-50073-MT

1:05-bk-50061-MT 1:05-bk-50074-MT

1:05-bk-50062-MT 1:05-bk-50075-MT

1:05-bk-50063-MT 1:05-bk-50076-MT

1:05-bk-50064-MT 1:05-bk-50078-MT

1:05-bk-50065-MT 1:05-bk-50079-MT

1:05-bk-50066-MT 1:05-bk-50100-MT

1:05-bk-50067-MT

☒ Affects All Debtors

☐ Affects Only:

**NOTICE OF MOTION FOR ENTRY OF  
AN ORDER (1) AUTHORIZING THE  
DEBTORS TO SELL ASSETS OUTSIDE  
THE ORDINARY COURSE OF  
BUSINESS FREE AND CLEAR OF ALL  
LIENS, CLAIMS, ENCUMBRANCES  
AND INTERESTS**

Date: November 30, 2009

Time: 10:00 a.m.

Place: Courtroom "302"

21041 Burbank Blvd.

Woodland Hills, CA

**TO THE HONORABLE MAUREEN A. TIGHE, UNITED STATES  
BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, AND  
ALL CREDITORS AND PARTIES IN INTEREST:**

**PLEASE TAKE NOTICE** that a hearing shall be held on November 30, 2009 at 10:00 a.m. before the Honorable Maureen A. Tighe, United States Bankruptcy Judge for the Central District of California, San Fernando Valley Division, in her Courtroom "302" located at 21041 Burbank Boulevard, Woodland Hills, CA 91367 to consider the motion (the "Motion") filed by Animal Productions, LLC, Captured Productions, Inc., Cinema Holdings, Inc., Desperate, Inc., Disorder Productions, Inc., Lost Angels Distributions, Inc., Merciless Movies, Inc., Nine Yards Two Productions, Inc., Rabbitprod, Inc., Restrained Films, Inc., Ripped Films, Inc., Rumbling Productions, Inc., Saint Mortimer Films, Inc., Seabreeze Productions, Inc., Sever Productions, Inc., Silent Productions, Inc., Snake Eyes Productions, Inc., South Boondock Productions, Inc., Spartan Distribution, Inc., SPE Holding Corp., Stormy Productions, Inc., Twin Pictures Acquisition Corp., Unbelievable Productions, Inc., VS Productions, Inc., Zig Zag Productions, Inc. and Franchise Studios LLC, debtors and debtors in possession in the chapter 11 cases being jointly administered under Case No. SV 05-50077-MT (collectively, the "SPE Debtors"), seeking entry of an order, pursuant to 11 U.S.C. §§ 105(a) and 363, Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules 6004-1 and 9013-1, approving the sale of the following assets (the "Purchased Assets") to MH Media Holding GmbH<sup>1</sup> (including any successor or designee, "Purchaser"), free and clear of liens, claims, interests and encumbrances, and in accordance with the terms of that certain Asset Purchase Agreement executed by the parties dated as of October 28, 2009 (the "APA"), a true and correct copy of which is attached as Exhibit "1" to the Declaration of John P. Brincko filed annexed to the Motion (the "Brincko Declaration")<sup>2</sup>:

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<sup>1</sup> MH Media Holding GmbH is an affiliate of Intertainment AG.

<sup>2</sup> The summary of the terms of the APA is not intended to be a comprehensive recitation of all of the terms and conditions set forth therein. In the event of any inconsistency between the terms of the APA summarized herein and the terms and conditions of the APA itself, the terms and conditions of the APA shall govern.

- 1 (1) Certain claims, rights and causes of action of the SPE Debtors (collectively, the  
2 "Transferred Claims"), including the claims, rights and causes of action arising  
3 from or relating to the adversary proceeding pending in the Bankruptcy Court  
4 styled SPE Holding Corp., et al. v. Commerzbank Aktiengesellschaft and  
5 Commerzbank Group, bearing the number 1:07-ap-01265-MT (the "Adversary  
6 Proceeding");
- 7 (2) All shares, stock certificates, warrants, options, membership interests, and all  
8 other rights and/or evidence of ownership of whatever description owned by SPE  
9 Holding Corp. in and to any of the other SPE Debtors which may be designated  
10 by Purchaser; and
- 11 (3) All Documentation (as that term is defined in the APA), including books and  
12 records, ledgers, and other written or other records of every kind owned by the  
13 SPE Debtors or in which the SPE Debtors have any interest, which are in the  
14 possession or control of the SPE Debtors and which are reasonably related to the  
15 other Purchased Assets being sold to Purchaser.

16 As set forth more fully in the annexed Memorandum of Points and Authorities and  
17 Brincko Declaration, the SPE Debtors are seeking Court approval of the proposed sale (the  
18 "Sale") of the Purchased Assets, free and clear of all liens, claims, interests and encumbrances,  
19 to Purchaser for the following consideration: (i) an up front cash payment of \$225,000.00, (ii) a  
20 monthly payment of \$5,000.00, to be paid on a quarterly basis until the Closing Date (as defined  
21 in the APA) to cover the administrative costs of the SPE Debtors, and (iii) the payment of thirty-  
22 five percent (35%) of any proceeds collected by the Purchaser from pursuing the Transferred  
23 Claims, net of certain "off the top" costs and expenses.

24 Although the SPE Debtors believe that the Transferred Claims have value, the SPE  
25 Debtors simply do not have the resources necessary to pursue the Transferred Claims  
26 themselves, particularly since the Transferred Claims implicate foreign parties and require the  
27 analysis and litigation of complex German tax law issues, among others. While the SPE Debtors  
28 and their professionals have explored different alternatives and options to obtain value from the

1 Transferred Claims, including the retention of contingency counsel, they have been unable to  
2 locate counsel who is willing to represent the SPE Debtors in connection with the Transferred  
3 Claims on a straight contingency basis. Given the paucity of resources in the SPE Debtors'  
4 estates, the pursuit of the Transferred Claims through counsel retained on anything other than a  
5 straight contingency basis is not a financially feasible alternative. Based on the foregoing, the  
6 SPE Debtors believe that the only viable way to extract value from the Transferred Claims is by  
7 selling and assigning such claims to a third party. However, the market for such claims is  
8 extremely limited, particularly given the complexities of the foreign legal issues raised by the  
9 Transferred Claims. Fortunately, Intertainment approached the SPE Debtors and expressed  
10 interest in acquiring the Transferred Claims and other assets relating thereto. After many months  
11 of extensive discussions and negotiations, the SPE Debtors and Purchaser (which is an affiliate  
12 of Intertainment) have reached an agreement regarding the terms of the Sale of the Transferred  
13 Claims and related assets, as set forth in the APA. The SPE Debtors have determined, based  
14 upon their own due diligence and the exercise of their sound business judgment, that the  
15 consideration proposed to be paid by Purchaser for the Purchased Assets is reasonable and fair.  
16 Furthermore, since the SPE Debtors do not believe there are any valid liens against the  
17 Purchased Assets, the Purchased Assets may be sold to Purchaser, free and clear of all liens,  
18 claims, interests and encumbrances.<sup>3</sup>

19 The Motion is based upon 11 U.S.C. §§ 105(a) and 363, Federal Rules of Bankruptcy  
20 Procedure 2002 and 6004, Local Bankruptcy Rules 6004-1 and 9013-1, the accompanying  
21 Memorandum of Points and Authorities and the Brincko Declaration, the entire record of the  
22 SPE Debtors' bankruptcy cases, the statements, arguments and representations of counsel to be  
23  
24

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25 <sup>3</sup> The Los Angeles County Treasurer & Tax Collector recently filed a proof of claim alleging a secured  
26 claim in the amount of \$1,882.39 for property taxes against Nine Yards Two Productions, Inc. (one  
27 of the SPE Debtors). The SPE Debtors do not believe that the foregoing claim is a valid secured  
28 claim and reserve all of their rights and defenses with respect to such claim. Notwithstanding the  
foregoing, to the extent the Los Angeles County Treasurer & Tax Collector is deemed to have a  
security interest against the Purchased Assets, the proceeds of the Sale will be sufficient to cover  
the allowed amount, if any, of such interest or claim.

made at the hearing on the Motion, and any other evidence properly presented to the Court at, or prior to, the hearing on the Motion.

**PLEASE TAKE FURTHER NOTICE** that any request for a copy of the Motion must be made in writing to Levene, Neale, Bender, Rankin & Brill L.L.P., 10250 Constellation Blvd., Suite 1700, Los Angeles, California 90067, Attention: Juliet Y. Oh, Telephone No. (310) 229-1234, Facsimile No. (310) 229-1244, Email: JYO@LNBRB.com.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 9013-1(f), any opposition to the Motion must be in writing, filed with the Court and served upon counsel for the SPE Debtors at the address set forth in the upper left-hand corner of the first page of this Notice not later than fourteen (14) days prior to the hearing date set forth above.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 9013-1(h), the failure to file and serve a timely opposition to the Motion may be deemed by the Court to constitute consent to the Court's granting of the relief sought by the SPE Debtors.

**WHEREFORE**, the SPE Debtors respectfully request that the Court enter an order (i) finding that notice of the Motion was adequate and appropriate; (ii) granting the Motion in its entirety; (iii) authorizing the SPE Debtors to enter into the APA in substantially the form attached as Exhibit "1" to the Brincko Declaration; (iv) approving the Sale of the Purchased Assets to Purchaser, free and clear of all liens, claims, interests and encumbrances; (v) authorizing the SPE Debtors to take all necessary and reasonable steps to consummate the Sale of the Purchased Assets to Purchaser; and (vi) granting such other and further relief as the Court deems just and proper.

Dated: October \_\_\_\_, 2009

SPE HOLDING CORP., *et al.*

By: \_\_\_\_\_  
DAVID L. NEALE  
JULIET Y. OH  
LEVENE, NEALE, BENDER, RANKIN  
& BRILL L.L.P.  
Attorneys for Chapter 11 Debtors and  
Debtors in Possession

In re:  
SPE HOLDING CORP.,

Debtor(s).

Chapter 11

Case No. 1:05-bk-50077-MT

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
10250 Constellation Blvd., Ste. 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document described as NOTICE OF SALE OF ESTATE PROPERTY will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On November 6, 2009, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- Sara Chenetz sara.chenetz@dlapiper.com
- Sandford Frey Sfrey@cmkllp.com
- Thomas M Geher tmg@jmbm.com
- Richard W Havel rhavel@sidley.com
- Stuart I Koenig Skoenig@cmkllp.com
- Jennifer L Nassiri jennifer.nassiri@dlapiper.com, bambi.clark@dlapiper.com
- David L. Neale dln@lnbrb.com
- Sally S Neely sneely@sidley.com
- Juliet Y Oh jyo@lnbrb.com, jyo@lnbrb.com
- Jacqueline L Rodriguez jlr@lnbrb.com
- Mark A Serlin mserlin@globelaw.com
- Lori Sinanyan lsinanyan@jonesday.com
- Randy B. Soref rsoref@buchalter.com, IFS\_filing@buchalter.com
- United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov

II. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On November \_\_, 2009, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

None

☐ Service information continued on attached page

III. **SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on November 6, 2009, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

Hon. Maureen Tighe  
21041 Burbank Blvd.  
Courtroom 302  
Woodland Hills, CA 91367

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 6, 2009

John Berwick

Date

Type Name

Signature